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February 28, 2006

Mary L. Cottrell, Secretary  
MA Department of Telecommunications and Energy  
One South Station  
Boston, MA 02110

Re: Bay State Gas Company CY 2005 Service Quality Report, D.T.E. 06-12

Dear Ms. Cottrell:

Enclosed please find Bay State Gas Company's ("Bay State" or "Company") CY 2005 Service Quality Report ("CY 2005 SQ Report"). This SQ Report reflects the Massachusetts Department of Telecommunications and Energy's ("Department") directives set forth in its February 27, 2006, memorandum regarding the appropriate filing format for service quality reports ("Memorandum").

The Company's CY 2005 SQ Report has been organized in the following manner:

**Section One: Form A**

- Page 1 – Penalty Provisions Requirements
- Page 2 – Additional Reporting Requirements

**Section Two: Historic Information**

- Page 1 – Summary of BSG SQ Performance – Penalty Provisions
- Page 2 - Summary of BSG Capital Spending
- Page 3 - Summary of BSG Unaccounted For Gas
- Page 4 – Summary of BSG/NUI Staffing
- Page 5 – Summary of BSG Customer Satisfaction Survey Results

**Section Three: CY 2005 Back-up Data**

- Page 1 –TSF (Non-Emergency and Emergency)
- Page 2 - Service Appointment Kept
- Page 3 - On-Cycle Meter Reads
- Page 4 - Consumer Division Case
- Page 5 - Billing Adjustments
- Page 6 - Lost Time Accident Rate and Restricted Work-Day Rate

Page 7 - Response to Odor Calls  
Page 8 - Consumer Surveys  
Page 9 - Customer Service Guarantees

**Appendix A: CY 2005 Capital Spending Detail**

**Appendix B: CY 2005 Inventory Report**

The Company has met all of its targets associated with penalty-related service quality measurement categories. Therefore, Bay State has not incurred any penalties during the CY 2005 Reporting Period.

Please date stamp a copy of this letter for our files, and return in the enclosed envelope. Also, please feel free to contact me at (508) 836-7267 should you have any questions concerning this filing.

Sincerely,

Stephen H. Bryant

cc: Jody Stiefel, Esq. (six copies)  
Robert Sydney, Esq., DOER  
Joseph Rogers, Esq., AGO  
Patricia M. French, Esq.

**Bay State Gas Company  
CY 2005 SQ Report  
D.T.E. 06-12**

**Section One**

**FORM A**

**BAY STATE GAS COMPANY**

**CY 2005 SQ Report Filed March 1, 2006**

<b>CY 2005 Historic Data Cross Reference List</b>	<b>PENALTY PROVISIONS</b>	<b>Years in Database 1/</b>	<b>Mean and Benchmark</b>	<b>Performance in 2005</b>	<b>Comments</b>
<b>Section 3, Page 1</b>	<b>Non-Emergency TSF Within 30 Seconds (%)</b>	7	Mean - 72.2% Benchmark - 64.6%	88.1%	
<b>Section 3, Page 1</b>	<b>Non-Emergency TSF Within 20 Seconds (%)</b>	3	Mean - 74.1%	86.3%	The Company began collecting data on this measure during 2002.
<b>Section 3, Page 1</b>	<b>Emergency TSF Within 30 Seconds (%)</b>	7	Mean - 96.9% Benchmark - 95.2%	96.8%	
<b>Section 3, Page 1</b>	<b>Emergency TSF Within 20 Seconds (%)</b>	3	Mean - 93.4%	95.4%	The Company began collecting data on this measure during 2002.
<b>Section 3, Page 2</b>	<b>Service Appointments Kept (%)</b>	8	Mean - 97.9% Benchmark - 96.6%	99.3%	
<b>Section 3, Page 3</b>	<b>On-Cycle Meter Reads (%)</b>	12	Mean - 89.6% Benchmark - 86.6%	99.1%	
<b>Section 3, Page 4</b>	<b>Consumer Division Cases</b>	13	Mean - 1.6 Benchmark - 2.0	1.01	
<b>Section 3, Page 5</b>	<b>Bill Adjustments (\$/1000 customers)</b>	13	Mean - \$116.42 Benchmark - \$180.00	\$40.52	
<b>Section 3, Page 6</b>	<b>Lost Time Accident Rate (# of acc/200,000 employee hours)</b>	10	Mean - 3.91 Benchmark - 4.69	1.96	
<b>Section 3, Page 7</b>	<b>Response to Odor Calls (%)</b>	n/a	Target - 95%	97.7%	Historical information is not applicable as the benchmark is set by the DTE. Therefore, no mean was calculated.

Notes: 1/ See Section Two - Page 1 for a summary of BSG SQ performance history for each of these penalty-related measures.

**FORM A (CONTINUED)**

**BAY STATE GAS COMPANY**

**CY 2005 SQ Report Filed March 1, 2006**

CY 2002 Data Cross Reference List	ADDITIONAL REPORTING REQUIREMENTS	Years in Database	Mean and Benchmark	Performance in 2005	Comments
Section 2, Page 4	Staffing Levels	13	Mean: 916		Per the Department's Letter Order dated May 28, 2002, pp. 3-4, no benchmark was established for this measure by the DTE. The Company notes that the reported staffing levels between 12/31/02 and 12/31/05 neither reflect employees who still work Bay State and are now NiSource Corporate Service employees, nor positions that were eliminated at Bay State and now performed in other locations.
Section 3, Page 6	Restricted Work Day Rate (# of acc/200,000 employee hours)	n/a	n/a	4.33	Ten years worth of this data for this measure is not currently available. Therefore, no mean has been calculated. Also, no benchmark was established for this measure by the DTE.
1/	Property Damage > \$5K (#)	n/a	n/a	2	Ten years worth of this data for this measure is not currently available. Therefore, no mean has been calculated. Also, no benchmark was established for this measure by the DTE.
Section 2, Page 3	Unaccounted For Gas (Mcf)	14	Mean: 345,372 or 0.61%		No benchmark was established for this measure by the DTE.
Section 2, Page 2 & Appendix A	Capital Expenditures (# of projects and total \$)	13	Total Mean: \$40,464,310 Reliability-Related Mean: \$13,832,344	n/a	The Company has provided historic information on dollars spent associated with total capital invested and capital invested related to system-reliability. Please see both Section 2, Page 2 and Appendix A for additional information related to historic capital expenditures.
Appendix B 2/	Spare Component & Inventory Policy	n/a	n/a	n/a	Ten years worth of this data for this measure is not currently available. Therefore, no mean has been calculated. Also, no benchmark was established for this measure by the DTE.
3/	Customer Surveys (scale of 1-7):				
Section 3, Page 8	Random	8	n/a	6.0	Only eight years worth of historical data is available for this measure, and both the questions and the scaling system are different for those historical surveys than the current requirements. Therefore, no mean has been calculated. Also, no benchmark was established for this measure by the DTE.
Section 3, Page 8	Calls	n/a	n/a	6.3	Ten years worth of this data for this measure is not currently available. Therefore, no mean has been calculated. Also, no benchmark was established for this measure by the DTE.
4/	Accidents	n/a	n/a	9.0	Ten years worth of this data for this measure is not currently available. Therefore, no mean has been calculated. Also, no benchmark was established for this measure by the DTE.
Section 3, Page 9	Customer Service Guarantees (#; total \$)	n/a	n/a	\$ 3,775.00	Ten years worth of this data for this measure is not currently available. Therefore, no mean has been calculated. Also, no benchmark was established for this measure by the DTE.

Notes: 1/ In CY 2005, the Company reported to the Department the following incidents where damage was greater than \$5,000: (1) June 21, 2005 8 Scadding Street, Taunton; (2) October 29, 2005 - 49 Silverwood Drive, Taunton.

2/ Bay State Gas Company's current spare component and acquisition inventory practice is to stock spare components and repair parts in its warehouses for every size gas main in its various operating locations. When Bay State installs a new size gas main, spare components and repair parts for the new gas main are put into the inventory system. Bay State Gas Company believes it is critical to stock spare components and repair parts for its distribution system. Operations managers, supervisors, and engineers along with purchasing and warehouse personnel work together to stock these materials as described above. See Appendix B for a report showing the dollar values of inventory associated with each location.

3/ For historical data see Section 2, Page 5.

4/ In CY 2005, the Company notified the Department of the following 9 reportable incidents: (1) May 19, 2005 - Pine Street Court, Springfield; (2) October 15, 2005 - Captain Rd., Longmeadow; (3) October 21, 2005 - 77 Boylston St. Springfield; (4) November 9, 2005 - 38 North Rd., Hampden; (5) November 9, 2005 - 333 Bridge St., Springfield; (6) November 15, 2005 - 52 Rosewell Ave., Springfield; (7) December 28, 2005 - Wilson St. @ Newton St., South Hadley; (8) June 21, 2005 - 8 Scadding Street, Taunton; and (9) August 9, 2005 - 1958 Broadway, Raynham.

**Bay State Gas Company  
CY 2005 SQ Report  
D.T.E. 06-12**

**Section Two**

**BAY STATE GAS COMPANY  
SUMMARY BSG SQ PERFORMANCE HISTORY  
PENALTY-RELATED MEASURES**

SQI Measures	History <sup>1/</sup>													TARGET			Weight
	2004	2003	2002 <sup>6/</sup>	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	Sample Size	Mean (GOAL)	STD DEV (sample)	
<b><u>SERVICE &amp; BILLING:</u></b>																	
TSF 30 seconds - Non-emergency	85.8%	73.0%	70.5%	75.8% <sup>2/</sup>	70.0%	61.0%	69.0%							7	72.2%	7.5%	6.25%
TSF 20 seconds - Non-emergency	83.9%	70.7%	67.8%											3	74.1%	8.6%	
TSF 30 seconds - Emergency calls	97.6%	96.9%	97.6%	97.7% <sup>2/</sup>	93.5%	96.2%	98.9%							7	96.9%	1.7%	6.25%
TSF 20 seconds - Emergency calls <sup>3/</sup>	95.3%	93.5%	91.4%											3	93.4%	2.0%	
Service Appointments Kept	99.5%	99.3%	99.4%	97.6%	96.9%	97.7%	96.8%	96.3%						8	97.9%	1.3%	12.50%
On-Cycle Meter Reads	96.8%	95.3%	95.9%	92.8%	87.0%	90.7%	88.4%	87.2%	88.4%	90.7%	88.5%	85.9%		10 <sup>4/</sup>	89.6%	3.0%	10%
<b><u>CUSTOMER SATISFACTION:</u></b>																	
Consumer Division Cases/1000 Cust.	1.0	1.3	1.3	1.2	2.5	1.5	1.5	1.3	1.0	1.4	2.0	2.0	1.7	10 <sup>5/</sup>	1.60	0.4	5%
Bill Adjustments/1000 Cust.	\$42.37	\$57.10	\$115.91	\$218.55	\$202.55	\$139.20	\$174.27	\$75.79	\$47.54	\$71.96	\$113.2	\$65.2	\$55.9	10 <sup>5/</sup>	\$116.42	\$63.58	5%
<b><u>SAFETY:</u></b>																	
Lost Time Accident Rate	4.36	4.03	3.97	3.28	2.97	3.00	4.98	3.34	4.05	5.16				10 <sup>7/</sup>	3.91	0.8	10%
Response To Odor Calls (< 1 hr.)	98.2%	97.7%	98.6%	98.3%	97%	99%	97%	95%	96%	96%	95%	95%		n/a	95%		45%

100.00%

**Notes:**

<sup>1/</sup> Years 1995-1999 reported on a Fiscal Year basis. 2000 reported on an annualized basis according to DTE guidelines, because the corporation moved from a Fiscal Year to a Calendar Year. Data from 2001 to 2004 is reported on an Calendar Year basis.

<sup>2/</sup> Bay State does not have historical data for this measure prior to 2002. However, pursuant to the DTE's Letter Order dated May 28, 2002, Bay State ordered, installed and implemented a new data recording system to report Emergency Call data at 20 seconds in parallel to the 30 second reporting.

<sup>3/</sup> The results for 2002 were based on the 3 months of data that were gathered once the system to record this measure was installed.

<sup>4/</sup> The Order issued in DTE 99-84 stated that the target benchmark would be calculated using the most current 10 years of data. If 10 years of data is not available, the benchmark would be based on at least 3 years of data, which would be updated with new data each year until 10 years of data was available. The 10 years of data is now available for this measure. The Mean (target) and standard deviation for the On-Cycle Meter Reading is based on the years 1993-2002.

<sup>5/</sup> The Order issued in DTE 99-84 stated that the target benchmark would be calculated using the most current 10 years of data. If 10 years of data is not available, the benchmark would be based on at least 3 years of data, which would be updated with new data each year until 10 years of data was available. The 10 years of data is now available for this measure. The Mean (target) and standard deviation for both the Customer Satisfaction measures (Consumer Division cases and Billing Adjustments) is based on the years 1992-2001.

<sup>6/</sup> See the Company's response to data request DTE 3-07, Attachment A in Docket No. D.T.E. 03-10 for the most current 2002 reported performance data.

<sup>7/</sup> The Order issued in DTE 99-84 stated that the target benchmark would be calculated using the most current 10 years of data. If 10 years of data is not available, the benchmark would be based on at least 3 years of data, which would be updated with new data each year until 10 years of data was available. The 10 years of data is now available for this measure. The Mean (target) and standard deviation for both the Customer Satisfaction measures (Consumer Division cases and Billing Adjustments) is based on the years 1995-2004.

## SUMMARY - BSG CAPITAL SPENDING HISTORY

	Capital Investment Approved	Capital Investment Completed 3/	Capital Investment Related to System Maintenance Completed 1/	
			Replacements	Other Operations 2/
2005	\$52,870,000	\$49,854,266	\$25,529,905	\$736,256
2004	\$37,682,249	\$36,629,575	\$15,421,895	\$1,261,053
2003	\$26,186,456	\$27,625,298	\$7,792,356	\$868,996
2002	\$29,834,642	\$30,172,843	\$7,041,564	\$877,677
2001	\$30,919,100	\$30,345,827	\$8,350,584	\$1,507,899
2000	n/a	\$33,736,573	\$8,440,293	\$355,511
1999	n/a	\$67,672,862	\$10,214,548	\$13,826,372
1998	n/a	\$38,863,794	\$10,378,019	\$2,219,611
1997	n/a	\$45,161,844	\$10,172,475	\$4,318,887
1996	n/a	\$35,913,533	\$7,720,601	\$2,394,570
1995	n/a	\$40,214,893	\$6,643,926	\$3,316,512
1994	n/a	\$41,335,366	\$11,675,532	\$2,732,421
1993	n/a	\$48,509,355	\$12,973,537	\$3,049,468
Mean 4/	\$35,498,489	\$40,464,310	\$10,950,403	\$2,881,941
Combined Mean 4/			\$13,832,344	

1/ See Appendix A for a list of each type of capital project the Company completed, including those projects related to maintaining transmission and distribution reliability. A list of specific system reliability-related projects can be found under two major categories of work, including REPLACEMENTS and OTHER OPERATIONS, respectively.

2/ System reliability-related projects that fall under the major category heading of OTHER OPERATIONS include the following two subcategories: Regulators, Plant Work, Small Projects, and Special Projects.

3/ The Company notes that Capital Investment Completed figures include Total Overhead dollars, while Capital Investment Related to System Maintenance Completed does not.

4/ The Mean and Combined Mean are calculated using all data reported.



**SUMMARY - BSG UNACCOUNTED FOR GAS HISTORY**  
(as reported in its Annual Report to the D.T.E. <sup>1/</sup>)

<u>YEAR</u>	<u>Gas</u> <u>Accounted</u> <u>For</u> (MCF)	<u>Gas</u> <u>Unaccounted</u> <u>For</u> (MCF)	<u>% Gas</u> <u>Unaccounted</u> <u>For</u>
2005 <sup>2/</sup>	59,012,023	168,940	0.29%
2004	63,538,630	435,819	0.68%
2003	68,345,875	967,263	1.40%
2002	68,773,728	-95,467	-0.14%
2001	63,345,695	-299,313	-0.47%
2000	38,941,581	383,435	0.98%
1999	38,155,282	-182,456	-0.48%
1998	52,287,702	-146,610	-0.28%
1997	55,426,325	1,121,343	1.98%
1996	52,763,777	-706,193	-1.36%
1995	57,600,907	705,443	1.21%
1994	51,625,599	119,910	0.23%
1993	51,213,177	1,322,942	2.52%
1992	51,964,578	1,040,155	1.96%
Mean <sup>3/</sup>	55,213,920	345,372	0.61%

Notes: 1/ See Page 72, Lines 21-23 of the Company's Annual Report to the D.T.E. for this information.

2/ The Company's current Annual Report to the D.T.E. is not available at the time of this filing. Accordingly, the Company used an internal report (i.e., Schedule 26) for this information.

3/ The Mean is calculated using all data reported.

**SUMMARY BSG STAFFING HISTORY 1/  
FULL TIME AND PART TIME REGULAR EMPLOYEES  
DECEMBER 31, 1993 TO DECEMBER 31, 2005**

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>Mean 2/</u>
<b>BSG Total Full-time FTEs</b>	<b>889</b>	<b>887</b>	<b>900</b>	<b>875</b>	<b>789</b>	<b>815</b>	<b>782</b>	<b>735</b>	<b>671</b>	<b>532</b>	<b>504</b>	<b>545</b>	<b>547</b>	<b>729</b>
<b>BSG Total Part-time FTEs</b>	<b>-</b>	<b>41</b>	<b>26</b>	<b>-</b>	<b>44</b>	<b>46</b>	<b>25</b>	<b>22</b>	<b>19</b>	<b>12</b>	<b>23</b>	<b>23</b>	<b>21</b>	<b>23</b>
<b>Total BSG FTEs 3/</b>	<b>889</b>	<b>928</b>	<b>926</b>	<b>875</b>	<b>833</b>	<b>861</b>	<b>807</b>	<b>757</b>	<b>690</b>	<b>544</b>	<b>527</b>	<b>568</b>	<b>568</b>	<b>752</b>

**Notes:**

1/ These statistic exclude Northern Utilities, Granite State Gas Transmission and temporary employees as well as work that was outsourced to third party vendors.

2/ The mean is calculated using all available data reported by category.

3/ Reported staffing levels between 12/31/00 and 12/31/05 neither reflect employees who still work for Bay State and are now NiSource Corporate Service employees, nor positions that were eliminated at Bay State and now are performed in other locations.

**SUMMARY OF BSG CUSTOMER SATISFACTION SURVEY HISTORY**

**Residential Customer Survey**

YEAR	RESULT
2002 .....	6.2
2003 .....	6.2
2004 .....	6.1
MEAN	6.2

**Service Contact Survey**

YEAR	RESULT
2002 .....	6.5
2003 .....	6.2
2004 .....	6.1
MEAN	6.3

YEAR	RESULT
2001 .....	90.60%
2000 .....	90.50%
1999 .....	91.70%
1998 .....	92.60%
1997 .....	93.30%
MEAN	91.74%

**Bay State Gas Company  
CY 2005 SQ Report  
D.T.E. 06-12**

**Section Three**

### **Telephone Service Factor**

Percent of Non-Emergency and Emergency Calls answered  
within 30 seconds (& 20 seconds, measured in parallel)

#### **Non-Emergency Calls**

**2005 Target (for 30 seconds): 72.2% (Mean)**

**2005 Benchmark (for 30 seconds): 64.6% (@ 1Standard Deviation)**

**2005 Actual Performance (for 30 seconds): 88.1%**

Month	Number of calls	Answered within 30 seconds 1/	Monthly Percent	Period Percent	% Answered within 20 seconds
Jan-05	97,681	87,743	89.8%	89.8%	88.4%
Feb-05	93,172	81,887	87.9%	88.9%	86.1%
Mar-05	105,563	93,288	88.4%	88.7%	86.7%
Apr-05	94,417	86,626	91.7%	89.4%	90.6%
May-05	109,070	89,108	81.7%	87.7%	79.4%
Jun-05	103,867	84,100	81.0%	86.6%	78.6%
Jul-05	88,347	77,081	87.2%	86.7%	84.9%
Aug-05	89,802	85,149	94.8%	87.6%	93.6%
Sep-05	80,619	75,654	93.8%	88.2%	92.5%
Oct-05	100,607	82,300	81.8%	87.5%	79.1%
Nov-05	81,893	72,919	89.0%	87.6%	87.4%
Dec-05	77,170	71,740	93.0%	88.0%	91.6%
Year 2005	1,122,208	987,595		88.0%	86.2%

#### **Emergency Calls**

**2005 Target (for 30 seconds): 96.9% (Mean)**

**2005 Benchmark (for 30 seconds): 95.2% (@ 1 Standard Deviation)**

**2005 Actual Performance (for 30 seconds): 96.8%**

Month	Number of calls	Answered within 30 seconds 1/	Monthly Percent	Period Percent	% Answered within 20 seconds
Jan-05	4,268	4,101	96.1%	96.1%	94.1%
Feb-05	2,878	2,827	98.2%	96.9%	96.4%
Mar-05	3,186	3,134	98.4%	97.4%	97.6%
Apr-05	2,856	2,832	99.2%	97.8%	98.4%
May-05	3,235	3,188	98.5%	97.9%	97.8%
Jun-05	3,047	2,949	96.8%	97.7%	95.7%
Jul-05	2,458	2,423	98.6%	97.8%	97.9%
Aug-05	2,467	2,438	98.8%	97.9%	98.1%
Sep-05	2,271	2,257	99.4%	98.1%	99.2%
Oct-05	4,293	4,052	94.4%	97.6%	91.7%
Nov-05	4,331	4,129	95.3%	97.3%	93.7%
Dec-05	4,269	3,969	93.0%	96.8%	91.3%
Year 2005	39,559	38,299		96.8%	95.4%

#### **Notes:**

1/ The number of calls answered within 30 seconds is based on the system reported percent answered within 30 seconds multiplied by the number of calls.

### **Service Appointments Kept**

Percent of service calls made on same day as appointment  
was scheduled with customer

**2005 Target: 97.9% (Mean)**

**2005 Benchmark: 96.6% (@ 1 Standard Deviation)**

**2005 Actual Performance: 99.3%**

Month	Number of Appointments	Number met same day scheduled	Monthly Percent	YTD Percent
Jan-05	5,879	5,854	99.6%	99.6%
Feb-05	6,376	6,331	99.3%	99.4%
Mar-05	7,559	7,535	99.7%	99.5%
Apr-05	7,233	7,210	99.7%	99.6%
May-05	7,285	7,245	99.5%	99.5%
Jun-05	6,770	6,737	99.5%	99.5%
Jul-05	5,941	5,884	99.0%	99.5%
Aug-05	6,738	6,696	99.4%	99.5%
Sep-05	7,501	7,454	99.4%	99.5%
Oct-05	7,213	7,124	98.8%	99.4%
Nov-05	6,896	6,788	98.4%	99.3%
Dec-05	5,162	5,124	99.3%	99.3%
<b>Year 2005</b>	<b>80,553</b>	<b>79,982</b>		<b>99.3%</b>

### On-Cycle Meter Reads

Percent of actual reads for all meters due to be read at cycle

**2005 Target: 89.6% (Mean)**

**2005 Benchmark: 86.6% (@ 1 Standard Deviation)**

**2005 Actual Performance: 99.1%**

Month	Total Meters To Be Read	Total Actual Reads	Monthly Percent	Period Percent
Jan-05	285,511	281,546	<b>98.6%</b>	98.6%
Feb-05	286,698	283,133	<b>98.8%</b>	98.7%
Mar-05	286,916	284,296	<b>99.1%</b>	98.8%
Apr-05	287,090	284,981	<b>99.3%</b>	98.9%
May-05	287,201	285,043	<b>99.2%</b>	99.0%
Jun-05	287,569	285,265	<b>99.2%</b>	99.0%
Jul-05	287,565	285,237	<b>99.2%</b>	99.1%
Aug-05	288,099	285,912	<b>99.2%</b>	99.1%
Sep-05	288,300	286,204	<b>99.3%</b>	99.1%
Oct-05	287,589	285,579	<b>99.3%</b>	99.1%
Nov-05	288,218	286,260	<b>99.3%</b>	99.1%
Dec-05	290,447	288,315	<b>99.3%</b>	99.1%
Year 2005	<b>3,451,203</b>	<b>3,421,771</b>		<b>99.1%</b>

**Consumer Division Cases (per 1000 customers)**

Number of consumer cases as recorded by DTE Consumer Division

**2005 Target: 1.6 Cases (Mean)**

**2005 Benchmark: 2.0 Cases (@ 1 Standard Deviation)**

**2005 Actual Performance: 1.01**

Month	DTE Cases
Jan-05	17
Feb-05	23
Mar-05	14
Apr-05	15
May-05	29
Jun-05	26
Jul-05	29
Aug-05	19
Sep-05	25
Oct-05	25
Nov-05	22
Dec-05	16
<b>Year 2005</b>	<b>260</b>

Total # residential customers at end of period	<b>257,166</b>
# cases per 1000 customers	<b>1.01</b>



### **Billing Adjustments**

Revenue adjustment amount resulting from the DTE intervention in a billing dispute between Bay State Gas and a residential customer

**2005 Target: \$116.42 (Mean)**

**2005 Benchmark: \$180.00 (@ 1 Standard Deviation)**

**2005 Actual Performance: \$40.52**

Month	Adjustments per 1000 cust.
Jan-05	\$ 2,925.93
Feb-05	\$ 2,047.94
Mar-05	\$ 56.70
Apr-05	\$ 612.76
May-05	\$ 1,054.70
Jun-05	\$ -
Jul-05	\$ 440.00
Aug-05	\$ -
Sep-05	\$ 268.70
Oct-05	\$ 42.51
Nov-05	\$ 487.26
Dec-05	\$ 2,484.05
<b>Year 2005</b>	<b>\$ 10,420.55</b>

Total # residential customers at end of period	<b>257,166</b>
# cases per 1000 customers	<b>\$40.52</b>

**Lost Time Accident Rate (per 200,000 employee hours)**

Lost Work Time Accident Rate - Incident Rate of Lost Work Time Injuries and Illness  
per 200,000 Employee Hours as defined by the U.S. Department of Labor, Bureau of Labor Statistics

**2005 Target: 3.91 (Mean)**

**2005 Benchmark: 4.69 (@ 1 Standard Deviation)**

**2005 Actual Performance: 1.96**

**Restricted Work-Day Rate (per 200,000 employee hours) - Reporting Requirement Only**

Restricted Work-Day Rate - Incident Rate of Restricted Work Cases per 200,000 employees hours  
as defined by the U.S. Department of Labor, Bureau of Labor Statistics

Month	Hours Worked	Lost time		Restricted work	
		Number DAW Incidents	Monthly Incident Rate	# restricted work Incidents	Monthly Incident Rate
Jan-05	110,397	0	0.00	2	3.62
Feb-05	115,223	0	0.00	3	5.21
Mar-05	115,059	2	3.48	1	1.74
Apr-05	136,990	0	0.00	2	2.92
May-05	113,850	2	3.51	2	3.51
Jun-05	115,047	0	0.00	3	5.22
Jul-05	133,479	1	1.50	3	4.50
Aug-05	106,805	0	0.00	0	0.00
Sep-05	128,008	5	7.81	6	9.37
Oct-05	109,525	0	0.00	2	3.65
Nov-05	110,596	1	1.81	3	5.43
Dec-05	135,676	3	4.42	4	5.90
<b>Year 2005</b>	<b>1,430,655</b>	<b>14</b>	<b>1.96</b>	<b>31</b>	<b>4.33</b>

### One Hour Or Less Response To Odor Calls

Percent of odor calls responded to in one hour or less

**2005 Target: 95% (Mandatory)**

**2005 Benchmark: 95% (@ 1 Standard Deviation)**

**2005 Actual Performance: 97.7%**

Month	Number of calls	Number responded to within 1 hour	Monthly Percent	YTD Percent
Jan-05	1,783	1,723	96.6%	96.6%
Feb-05	1,379	1,365	99.0%	97.7%
Mar-05	1,359	1,341	98.7%	98.0%
Apr-05	1,233	1,213	98.4%	98.1%
May-05	1,236	1,228	99.4%	98.3%
Jun-05	1,182	1,166	98.6%	98.3%
Jul-05	968	946	97.7%	98.3%
Aug-05	1,133	1,100	97.1%	98.1%
Sep-05	1,110	1,089	98.1%	98.1%
Oct-05	1,864	1,795	96.3%	97.9%
Nov-05	1,971	1,900	96.4%	97.7%
Dec-05	2,030	1,980	97.5%	97.7%
Year 2005	17,248	16,846		97.7%

### **Consumer Surveys - Reporting Requirement Only**

Survey responses use a scale of 1 to 7, where:  
1= very satisfied and 7 = very dissatisfied

#### **Contact Center Survey -**

Survey of customers randomly selected from those customers who contacted the Company's Customer Service Department within the year in which service is being measured.

#### **MA Residential Customer Survey -**

Customer satisfaction of a statistically representative sample of residential customers.

Month	Call Center Survey vol. 1/	Rating	MA Customers Survey vol. 2/	Rating
Jan-05	31	6.1	200	6.1
Feb-05	30	6.2		
Mar-05	39	6.4		
Apr-05	31	6.4		
May-05	15	6.5		
Jun-05	54	6.5		
Jul-05	31	6.3		
Aug-05	36	6.5	204	6.0
Sep-05	31	6.3		
Oct-05	31	6.3		
Nov-05	30	6.1		
Dec-05	39	6.2		
Year 2005	398	6.3	-	6.0

#### **Notes:**

1/ The Contact Center Survey was conducted by the Wilkerson Associates, Louisville, KY.

2/ The MA Residential Customer Survey was conducted by Research Data Analysis, Inc., Bloomfield Hills, MI.

### **Customer Service Guarantees**

Failure to keep appointments scheduled with the customer or failure to notify customers of planned interruption(outage) will result in a \$25 credit to the customer.

Month	Appointments missed by > 4hrs.	Planned outages not notified	Penalties credited to Customers
Jan-05	9	0	\$ 225.00
Feb-05	9	0	\$ 225.00
Mar-05	12	0	\$ 300.00
Apr-05	4	0	\$ 100.00
May-05	5	0	\$ 125.00
Jun-05	5	0	\$ 125.00
Jul-05	12	0	\$ 300.00
Aug-05	17	0	\$ 425.00
Sep-05	13	0	\$ 325.00
Oct-05	29	0	\$ 725.00
Nov-05	21	0	\$ 525.00
Dec-05	15	0	\$ 375.00
Year 2005	151	0	\$ 3,775.00

**Bay State Gas Company  
CY 2005 SQ Report  
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**Appendix A**

**Bay State Gas Company  
CALENDAR YEAR 2005  
CAPITAL SPENDING DETAIL**

	(Col 1) 12 MONTH Actual	(Col 2) 12 MONTH Budget	(Col 3) Year To Date Variance
<b>GROWTH</b>			
New Mains Installed			
Units	163,207	182,891	(19,684)
Unit Cost	\$9.72	\$9.02	\$0.70
Dollars	1,586,150	1,650,000	(63,850)
New Residential Service			
Units	2,004	2,278	(274)
Unit Cost	\$1,401.69	\$1,355.17	\$46.52
Dollars	2,808,989	3,086,829	(277,840)
New C&I Service			
Units	550	429	121
Unit Cost	\$1,895.29	\$1,916.90	(\$21.60)
Dollars	1,042,412	823,171	219,241
New Residential Meters			
Units	4,143	4,975	(832)
Unit Cost	\$103.47	\$65.58	\$37.89
Dollars	428,675	326,269	102,406
New C&I Meters			
Units	264	319	(55)
Unit Cost	\$2,253.93	\$1,297.26	\$956.67
Dollars	595,037	413,731	181,306
<b>BETTERMENT - GROWTH</b>	779,899	1,700,000	(920,101)
<b>SPECIAL PROJECTS</b>	0	0	0
<b>Total Growth</b>	7,241,162	8,000,000	(758,838)
<b>RENTALS</b>			
New Resid CB			
Units	41	37	4
Unit Cost	\$538.98	\$1,231.09	(\$692.11)
Dollars	22,098	45,000	(22,902)
New C&I CB			
Units	0	0	0
Unit Cost			\$0.00
Dollars	14,596	0	14,596
New Water Heaters			
Units	<b>1,263</b>	1,135	128
Unit Cost	\$531.44	\$753.51	(\$222.07)
Dollars	671,213	855,000	(183,787)
Replacement Water Heater			
Units	2,043	1,889	154
Unit Cost	\$538.16	\$741.18	(\$203.03)
Dollars	1,099,452	1,400,000	(300,548)
<b>Total Rentals</b>	1,807,359	2,300,000	(492,641)

**Bay State Gas Company**  
**CALENDAR YEAR 2005**  
**CAPITAL SPENDING DETAIL**

	(Col 1) 12 MONTH Actual	(Col 2) 12 MONTH Budget	(Col 3) Year To Date Variance
<b>METER WORK</b>			
Upgrade Meter Fits			
Units	1,370	1,711	(341)
Unit Cost	\$248.77	\$213.31	\$35.45
Dollars	340,812	365,000	(24,188)
Instrumentation			
Units	372	894	(522)
Unit Cost	\$38.60	\$61.55	(\$22.95)
Dollars	14,358	55,000	(40,642)
Relocate Meter Fits			
Units	435	555	(120)
Unit Cost	(\$14.18)	\$162.25	(\$176.43)
Dollars	(6,169)	90,000	(96,169)
Residential Metscan			
Units	4	0	4
Unit Cost	\$146.00		\$146.00
Dollars	584	0	584
C&I Metscan			
Units	14	80	(66)
Unit Cost	\$1,022.43	\$188.60	\$833.83
Dollars	14,314	15,000	(686)
<b>Total Meter Work</b>	<b>363,899</b>	<b>525,000</b>	<b>(161,101)</b>
<b>REPLACEMENTS</b>			
Replacement Mains			
Units	362,800	155,527	207,273
Unit Cost	\$49.03	\$33.63	\$15.40
Dollars	17,787,716	5,230,000	12,557,716
Replacement Resid Serv			
Units	3,038	2,204	834
Unit Cost	\$1,599.59	\$970.38	\$629.21
Dollars	4,859,555	2,138,454	2,721,101
Replacement C&I Serv			
Units	44	140	(96)
Unit Cost	\$2,799.39	\$1,685.29	\$1,114.10
Dollars	123,173	236,546	(113,373)
Uprate			
Units	14	0	14
Unit Cost	\$2,448.29		\$2,448.29
Dollars	34,276	0	34,276
Joint Sealing			
Units	900	866	34
Unit Cost	\$869.67	\$467.60	\$402.07
Dollars	782,704	405,000	377,704
Keyholing			
Units	557	1,058	(501)
Unit Cost	\$570.04	\$411.19	\$158.86
Dollars	317,513	435,000	(117,487)



**Bay State Gas Company  
CALENDAR YEAR 2005  
CAPITAL SPENDING DETAIL**

		(Col 1) 12 MONTH Actual	(Col 2) 12 MONTH Budget	(Col 3) Year To Date Variance
Cathodic Protection				
	Units	544	561	(17)
	Unit Cost	\$998.44	\$704.55	\$293.89
	Dollars	543,149	395,000	148,149
Tie-Overs				
	Units	1,326	775	551
	Unit Cost	\$840.27	\$528.80	\$311.47
	Dollars	1,114,200	410,000	704,200
Misc- Meter Barriers				
	Units	207	350	(143)
	Unit Cost	\$139.49	\$114.38	\$25.11
	Dollars	28,874	40,000	(11,126)
Special Projects		(61,255)	0	(61,255)
<b>MASS BS</b>		0	16,956,000	(16,956,000)
	<b>BETTERMENT - REPLACE</b>	0	0	0
<b>Total Replacements</b>		25,529,905	26,246,000	(716,095)
<b>OTHER OPERATIONS</b>				
Regulators		556,707	450,000	106,707
Plant Work		150,117	0	150,117
	<b>BETTERMENT REGULATORS</b>	966,049	725,000	241,049
Meter Purchases		937,324	950,000	(12,676)
Small Projects		0	0	0
Special Projects		29,432	0	29,432
<b>Meter Shop &amp; ERT</b>		673,725	490,000	183,725
<b>Total Other Operations</b>		3,313,354	2,615,000	698,354
<b>TECHNOLOGY</b>				
		17,151	2,124,000	(2,106,849)
<b>OTHER GENERAL</b>				
Office Equipment		7,561	0	7,561
Tools & Equipment		144,943	110,000	34,943
Facilities Projects		231,040	250,000	(18,960)
<b>Total Other</b>		383,544	360,000	23,544
Overheads		<b>6,615,803</b>	6,785,581	(169,778)
Indirect Supv & Non Prod		4,582,089	3,914,419	667,670
		0	0	0
<b>Total Overheads</b>		11,197,892	10,700,000	497,892
<b>Total LDC Capital</b>		49,854,266	52,870,000	(3,015,734)

**Bay State Gas Company  
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**Appendix B**

## BAY STATE GAS COMPANY INVENTORY EVALUATION 2005

	Dec-04	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
<b>SPRINGFIELD</b>													
Warehouse	\$767,608	\$832,804	\$821,558	\$821,904	\$868,249	\$914,551	\$896,239	\$989,704	\$991,021	\$989,912	\$975,545	\$947,187	\$972,768
Contractors	\$15,193	\$15,193	\$15,193	\$21,231	\$21,231	\$21,231	\$21,231	\$21,231	\$21,231	\$21,231	\$21,231	\$21,231	\$21,231
Plumbers	\$151,435	\$138,709	\$102,212	\$111,616	\$125,684	\$125,606	\$114,223	\$125,102	\$141,690	\$146,223	\$159,405	\$197,488	\$208,473
Truck Stock	\$174,738	\$174,738	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$1,108,974</b>	<b>\$1,161,443</b>	<b>\$938,963</b>	<b>\$954,752</b>	<b>\$1,015,164</b>	<b>\$1,061,388</b>	<b>\$1,031,694</b>	<b>\$1,136,037</b>	<b>\$1,153,942</b>	<b>\$1,157,366</b>	<b>\$1,156,181</b>	<b>\$1,165,906</b>	<b>\$1,202,472</b>
<b>BROCKTON</b>													
Warehouse	\$777,218	\$831,451	\$889,210	\$925,163	\$913,825	\$878,768	\$955,348	\$1,013,127	\$986,346	\$1,018,148	\$1,011,551	954161	\$1,009,049
Contractors	\$58,009	\$58,009	\$32,765	\$35,704	\$54,255	\$52,457	\$72,089	\$78,529	\$64,485	\$74,158	\$88,866	\$99,903	\$103,995
Plumbers	\$172,948	\$199,197	\$165,092	\$136,186	\$138,701	\$141,516	\$129,589	\$160,050	\$190,770	\$149,715	\$203,346	\$225,457	\$249,506
Truck Stock	\$159,337	\$159,337	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$1,167,511</b>	<b>\$1,247,994</b>	<b>\$1,087,066</b>	<b>\$1,097,054</b>	<b>\$1,106,781</b>	<b>\$1,072,741</b>	<b>\$1,157,026</b>	<b>\$1,251,707</b>	<b>\$1,241,601</b>	<b>\$1,242,021</b>	<b>\$1,303,763</b>	<b>\$1,279,521</b>	<b>\$1,362,550</b>
<b>LAWRENCE</b>													
Warehouse	\$487,655	\$485,924	\$482,610	\$585,881	\$577,093	\$563,014	\$522,609	\$512,776	\$572,295	\$553,590	\$581,586	\$550,886	\$687,672
Contractors	\$10,896	\$4,896	\$5,931	\$25,373	\$16,742	\$20,179	\$15,218	\$14,517	\$12,731	\$19,918	\$19,918	\$19,918	\$6,959
Plumbers	\$41,871	\$32,129	\$29,053	\$37,858	\$26,758	\$34,597	\$33,734	\$39,778	\$39,107	\$37,312	\$34,530	\$42,181	\$58,813
Truck Stock	\$81,067	\$81,067	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$621,490</b>	<b>\$604,016</b>	<b>\$517,594</b>	<b>\$649,111</b>	<b>\$620,593</b>	<b>\$617,790</b>	<b>\$571,560</b>	<b>\$567,072</b>	<b>\$624,133</b>	<b>\$610,820</b>	<b>\$636,034</b>	<b>\$612,985</b>	<b>\$753,444</b>
<b>PORTSMOUTH</b>													
Warehouse	\$594,000	\$605,278	\$616,214	\$642,593	\$650,265	\$647,129	\$656,103	\$694,196	\$681,890	\$681,445	\$685,417	\$671,298	\$679,409
Portland	\$37,890	\$39,081	\$38,025	\$33,067	\$44,245	\$42,382	\$39,980	\$40,849	\$31,629	\$49,494	\$39,292	\$77,341	\$26,537
Lewiston	\$3,932	\$4,395	\$4,395	\$3,693	\$28,269	\$81,578	\$103,704	\$103,378	\$96,385	\$228,781	\$231,659	\$210,808	\$78,613
Contractors	\$16,450	\$16,450	\$16,450	\$16,911	\$12,819	\$13,517	\$13,517	\$13,517	\$14,725	\$16,284	\$16,284	\$16,284	\$16,285
Truck Stock	\$89,199	\$89,199	\$89,199	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$741,471</b>	<b>\$754,402</b>	<b>\$764,284</b>	<b>\$696,264</b>	<b>\$735,599</b>	<b>\$784,606</b>	<b>\$813,304</b>	<b>\$851,941</b>	<b>\$824,629</b>	<b>\$976,004</b>	<b>\$972,652</b>	<b>\$975,731</b>	<b>\$800,844</b>
<b>TOTAL WAREHOUSE</b>	<b>\$2,668,304</b>	<b>\$2,798,932</b>	<b>\$2,852,012</b>	<b>\$3,012,301</b>	<b>\$3,081,946</b>	<b>\$3,127,423</b>	<b>\$3,173,982</b>	<b>\$3,354,031</b>	<b>\$3,359,566</b>	<b>\$3,521,370</b>	<b>\$3,525,050</b>	<b>\$3,411,681</b>	<b>\$3,454,048</b>
<b>TOTAL CONTRACTOR</b>	<b>\$100,548</b>	<b>\$94,548</b>	<b>\$70,338</b>	<b>\$99,219</b>	<b>\$105,048</b>	<b>\$107,384</b>	<b>\$122,055</b>	<b>\$127,794</b>	<b>\$113,172</b>	<b>\$131,591</b>	<b>\$146,299</b>	<b>\$157,336</b>	<b>\$148,470</b>
<b>TOTAL PLUMBER</b>	<b>\$366,254</b>	<b>\$370,034</b>	<b>\$296,357</b>	<b>\$285,660</b>	<b>\$291,143</b>	<b>\$301,719</b>	<b>\$277,547</b>	<b>\$324,931</b>	<b>\$371,567</b>	<b>\$333,250</b>	<b>\$397,281</b>	<b>\$465,126</b>	<b>\$516,792</b>
<b>TOTAL TRUCK STOCK</b>	<b>\$504,341</b>	<b>\$504,341</b>	<b>\$89,199</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>LUDLOW PROJECT</b>	<b>\$226,841</b>	<b>\$226,841</b>	<b>\$226,841</b>	<b>\$226,841</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>WYETH PROJECT</b>	<b>\$99,313</b>	<b>\$99,313</b>	<b>\$99,313</b>	<b>\$99,313</b>	<b>\$99,313</b>	<b>\$99,313</b>	<b>\$99,313</b>	<b>\$99,313</b>	<b>\$99,313</b>	<b>\$99,313</b>	<b>\$99,313</b>	<b>\$99,313</b>	<b>\$99,313</b>
<b>GRAND TOTAL</b>	<b>\$3,965,601</b>	<b>\$4,094,009</b>	<b>\$3,634,061</b>	<b>\$3,723,335</b>	<b>\$3,577,450</b>	<b>\$3,635,838</b>	<b>\$3,672,897</b>	<b>\$3,906,069</b>	<b>\$3,943,618</b>	<b>\$4,085,524</b>	<b>\$4,167,943</b>	<b>\$4,133,456</b>	<b>\$4,218,623</b>
<b>INVENTORY CHANGE PER LOCATION PER MONTH</b>													
Springfield		\$52,469	-\$222,480	\$15,788	\$60,412	\$46,224	-\$29,694	\$104,343	\$17,905	\$3,424	-\$1,185	\$9,725	\$36,566
Brockton		\$80,483	-\$160,928	\$9,988	\$9,727	-\$34,040	\$84,285	\$94,681	-\$10,106	\$420	\$61,742	-\$24,242	\$83,029
Lawrence		-\$17,474	-\$86,422	\$131,517	-\$28,519	-\$2,802	-\$46,230	-\$4,489	\$57,061	-\$13,313	\$25,214	-\$23,049	\$140,459
Portsmouth		\$12,931	\$9,881	-\$68,020	\$39,336	\$49,007	\$28,698	\$38,637	-\$27,312	\$151,375	-\$3,352	\$3,079	-\$174,887
Ludlow		\$0	\$0	\$0	-\$226,841	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Wyeth		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL CHANGE PER MONTH</b>		<b>\$128,408</b>	<b>-\$459,949</b>	<b>\$89,274</b>	<b>-\$145,885</b>	<b>\$58,389</b>	<b>\$37,058</b>	<b>\$233,173</b>	<b>\$37,549</b>	<b>\$141,906</b>	<b>\$82,419</b>	<b>-\$34,487</b>	<b>\$85,167</b>
<b>TOTAL CHANGE 2004/2005</b>		<b>\$128,408</b>	<b>-\$331,540</b>	<b>-\$242,266</b>	<b>-\$516,559</b>	<b>\$1,778</b>	<b>-\$50,438</b>	<b>-\$59,532</b>	<b>-\$150,391</b>	<b>\$451,463</b>	<b>\$444,608</b>	<b>\$556,006</b>	<b>\$582,785</b>

**NOTES:** 1/ The Company notes that the 12/31/05 balance of \$4,218,623 reported above will not match the Plant Materials and Operating Supplies (Account 154) reported on Page 24 of the 2005 Annual Report. Appendix B excludes inventory held at contractor warehouses, some truck stock, and some inventory being repaired at the Company's fabrication shops. Appendix B also includes inventory at the Company's Portsmouth, NH office, which is not carried on Bay State's books.